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OCR 3The Snap Election in the Philippines:
What If The Opposition Wins?

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P&PD 1Summary

President Marcos's many organizational advantages and his control of the vote counting machinery suggest that a victory by Corazon Aquino in Friday's presidential election is not as likely as a narrow win by the ruling party. Because the race is close, however, we believe an opposition victory should not be dismissed out of hand. Such an upset would pose difficult decisions for players at both ends of the political spectrum, and in our view create a precarious and fragile political scene, at least in the short term.

- An Aquino victory would present the radical left with a dilemma that could split the Communist Party--whether to work with Aquino in the hope of gaining a foothold in the government, to mount military operations in an effort to destabilize the administration, or to continue its strategy of gradually building a political base.
- Aquino's victory would also pose hard decisions for the right, which stands to lose considerably from her reformist agenda. So serious is the threat to Marcos associates such as industrialist Eduardo

This memorandum was prepared by
 Office of East Asian Analysis. Information available as of 31 January was used in its preparation. Comments and queries are welcome and may be directed to Chief, Southeast Asia Division, OEA

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Cojuangco and Armed Forces Chief of Staff Ver that they would probably make every effort--including urging Marcos to reimpose martial law--to prevent Aquino from taking office. [REDACTED]

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If Aquino were allowed to take office, she would probably have to cut political deals with Marcos's supporters in key constituencies--including the military, the business community, and the ruling party--to manage the government, which Marcos's party would still control. As a result, we believe the policies of an Aquino administration would reflect the realities of political horsetrading as much as her reformist inclinations. How well Aquino coped with her early challenges would determine whether her government took a pragmatic course that would begin to stabilize domestic politics over the longer term or a politically polarizing course that would hasten the country's slide into chaos. [REDACTED]

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Ambitious Programs

Victory by opposition leader Corazon Aquino in the presidential election scheduled for 7 February could place in power a leadership that we believe is determined to shift sharply Manila's economic, social, and foreign policies. Aquino's campaign has pursued the theme of presenting a "moral alternative" to Marcos, and we believe Aquino's primary goal is to overturn the traditional pattern of machine politics. During the campaign, for example, she has said she would improve the government's counterinsurgency performance by legalizing the Communist Party, calling a six-month cease-fire, implementing a general amnesty program, improving economic conditions in rural and urban areas, reorganizing the military, and implementing new civil action programs. According to press reports, Aquino also plans to take a tougher stand with foreign creditors, dismantle the agricultural monopolies, and pursue extensive land reform. Her agenda includes calling a convention to reframe the constitution, freeing political prisoners, opening up the press, and dismantling certain ministries, including Imelda Marcos's Ministry of Human Settlements. [REDACTED]

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The outcome of Aquino's attempts to complete this ambitious agenda would depend not only on the policy inclinations of the new administration but also on its ability to learn the skills of practical politics. Aquino and her closest advisers have little

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experience in the workings of government at the national level, and they would be confronted by well defined interests on the left and right of the political spectrum. []

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The Immediate Challenges

Aquino's first challenge would be working with other institutions of national government, a process in which the political inclinations and orientation of Marcos's party, the

Obstacles to Assuming Power

If Aquino wins the balloting, she will face several immediate obstacles. At the least, we believe Marcos would be tempted to declare the election invalid, using his apparent control of the Election Commission and the Supreme Court. Aquino's victory would also increase the chances that Marcos's supporters in the military--who reportedly are concerned over Aquino's alleged ties to the Communists--would attempt a coup to prevent her from coming to power. []

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However Marcos proceeds, preventing Aquino from taking office would require the support of the military. Presumably, he believes he can tap support for such a move through the network he has cultivated among senior officers during his 20 years in power. In our view, however, these sentiments might not translate into a willingness among senior officers to block Aquino's assuming power. [] military commanders might have a hard time getting military rank and file to go along with the idea--especially if Aquino wins decisively. []

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We believe that there are other conditions under which Aquino could assume power. One would be a refusal by the Supreme Court to uphold an attempt by Marcos to void the election. Several press reports indicate that last month Marcos was unable to persuade the Court to declare the election unconstitutional, even though the Court traditionally has followed his direction. Although not a likely prospect, such a show of independence by the Court would block Marcos's legal opportunity to retain power. This development probably would force him to reimpose martial law to remain in office. []

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newly displaced Kilusang Bagong Lipunan (KBL), would be critical. The party currently dominates the government at the national, provincial, and local level, and without its cooperation Aquino would be unable to implement changes in policy. As Aquino entered her first months in power, we believe she would have to cut political deals with the KBL to prevent it from working to undercut her government. Without Marcos at the helm, we would expect some fragmentation in the KBL that probably

would make it easier for Aquino to cut deals, if she were so inclined. [REDACTED]

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An Aquino administration would quickly have to come to terms with the National Assembly and the Supreme Court. The National Assembly is dominated by Marcos's party and has always toed the party line on key issues.* For example, when the opposition attempted to impeach Marcos last year, the KBL voted unanimously and quickly to defeat the initiative, preventing a politically embarrassing public debate. The Supreme Court also has traditionally acted at Marcos's direction. The Court is relatively young--over half of the 13 justices are 65 or under--and cannot be forced to retire before age 70. The Court has the power to stifle Aquino's reform plans by voiding legislation, even if she deals successfully with the National Assembly. [REDACTED]

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Aquino would not have an opportunity to work with a new National Assembly until 1990, when elections are scheduled, unless she invoked the presidential emergency powers and dissolved the body. She has said repeatedly during the campaign that she would not exercise Marcos's authoritarian powers, and doing so would cost her considerable political capital acquired during her "reformist" campaign. A better opportunity to whittle away at the KBL, we believe, would be in local elections scheduled for May 1986. As local elections approached, we believe many ruling party officials would likely see little benefit in opposing a new government and would be eager to strike deals with Aquino. [REDACTED]

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In our judgment, Aquino's inability to find quick solutions to the country's economic and political problems would underscore the need to develop new alliances to hold intact her political base. On the economic front, the economy will continue to be constrained by the country's \$26 billion foreign debt--a circumstance that would limit economic policy initiatives and we believe would force Aquino occasionally to take unpopular stands. For the economy to grow and service its foreign debt, for example, Manila must place a greater emphasis on exports, which requires a politically painful depreciation of the peso. Although this would make Philippine products more competitive on world markets, it would also mean higher prices for imports. Aquino has yet to take a public stand on this aspect of economic policy, but her populist leanings probably would lead her to reject a devaluation. [REDACTED]

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And even though we believe an Aquino victory could go a long way toward slowing the momentum of the insurgents by eliminating

*The ruling KBL party holds 111 seats in the National Assembly, with the opposition holding 59 and independents 11. The independents are closely aligned with the KBL. [REDACTED]

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their ability to exploit anti-Marcos sentiment, her government would still face the grim reality of an entrenched insurgency with hard-core Communists in control of the movement. An ambitious counterinsurgency program with an effective military component would have to be put in place. This would require that Aquino work closely with the military--an institution she profoundly distrusts. Moreover, a drawn-out military effort to eradicate the insurgency would require a sustained effort to improve civil administration at the local level--including providing costly infrastructure, such as roads and schools, and more social services. And this would have to be administered by what would be left of Marcos's party. []

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Perspectives of the Right and Left

How Marcos's associates on the **political right** would deal with an Aquino victory would be, in our view, the most important determinant for political stability following her election. They have reaped enormous political and financial benefits in Marcos's service and are a primary target of Aquino's proposed policies. In our view, the right--which will retain considerable postelection political and financial clout--has three choices: come to an accommodation with Aquino, challenge the new government, or leave the country. There is little doubt, in our view, that Aquino would benefit if some of the blatant symbols of Marcos's spoils system--including Ver and sugar czar Roberto Bendicto--chose the latter route. []

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Cutting deals with Aquino, however, may be the most attractive option for the right. By giving up some of the spoils they have received over the last 10 years, they probably could retain others and allow Aquino some victories in her attempts to reform economic policy. For example, if Cojuangco paved the way for more competition in the coconut industry--he currently controls domestic and export marketing--we believe he would be allowed to retain other assets in his financial empire, such as his growing control over the country's food processing and lucrative fertilizer industries, if for no other reason than that his huge financial resources would be needed to get the economy moving again. []

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Other elements of the right would be likely to use their financial and political assets to retain influence in Aquino's new government and, from their perspective, moderate her policy swings. One way that the right could sway her policies would be to back candidates in the local elections in May. If rightwing political kingpins such as Ramon Durano of Cebu Province succeeded in retaining control of substantial portions of local and provincial administration, we believe it would constrain Aquino's ability to implement civil action and social programs. In this way former Marcos loyalists might be able to prevent Aquino from going too far in her efforts to divest them of their fortunes and to obstruct their access to continued financial gain. []

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The extreme option open to the right would be to use its control of local government officials, the National Assembly, or perhaps even its own private armies or the armed forces to hasten the end of the Aquino government--a course the right would be likely to take if it believed that Aquino could be replaced by a government more attuned to its interests. For example, rightwing elements of the KBL could obstruct legislation in the National Assembly and even institute impeachment proceedings against Aquino. In that case, Aquino almost certainly would be forced to dissolve the Assembly and resort to exercising Marcos's authoritarian powers, such as ruling by decree--an option that she would want to avoid. [redacted]

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At the other end of the political spectrum, an Aquino victory would present the **Communist Party** with a dilemma, in our judgment. So far, Communist strategy--concentrating on mass political organization while mounting enough military operations to discredit the government--has been based on Marcos's continued rule. With Aquino at the helm, we believe these calculations would substantially change, especially if she showed promise of implementing reforms that would erode its mass base or improve the counterinsurgency effort. With Aquino in office, the party would be facing an administration that was elected without Communist support. The party would have to weigh a variety of options in that case, including whether to wait to see how events following the election played out, to respond to offers from Aquino for a cease-fire, to implement measures designed to sustain revolutionary fervor in Marcos's absence, or to embark on an urban terrorism campaign in Manila. [redacted]

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Making these decisions could pose an unprecedented challenge to party unity. So far, tight discipline on key decisions has been a hallmark of the party. [redacted]

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[redacted] Although the party temporarily split over whether to participate in the election--a vocal minority favored support for Aquino--[redacted] all party leaders toed the line once the boycott decision was reached. During the debate, this minority--mainly leaders from Manila--argued that even though an Aquino victory was unlikely, it would give the party an entre into a new government. This faction also contended that the party would gain better access to moderate ranks even if Aquino lost, and would be better positioned to influence the next presidential election. With an Aquino victory, however, leaders of the minority faction--who in the past have advocated the use of violence in Manila--would probably put up stiffer resistance to the views of conservative party leaders and lobby hard for implementing more radical tactics. Pursuit of such a high-risk strategy we believe could force Aquino into security crackdowns far more stern than she would want to undertake. [redacted]

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Peering Into the Future

There are no precedents in the Philippines for the far reaching transfer of power that would accompany an Aquino

victory, and we believe it is impossible to say how the "Aquino Experiment" would work out. The problems the Philippines faces are sufficiently serious that we cannot be optimistic that the first year or so of an Aquino government would witness real progress righting the economy or defeating the insurgency-- achievements which are out of the reach of any government. We can envisage two broad courses that an Aquino government might take in its early stages--one generally favorable to US interests and one not. In practice, of course, the path an Aquino government would take probably would not be as distinct and clear-cut as we project. More than likely, it would be a combination of elements from both of the following scenarios. []

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An Optimistic Scenario. Aquino could deal with the right by giving them limited influence in her government and refraining from extreme actions such as stripping them of all their financial holdings. At the same time, she would benefit either from a decision by the Communist party not to implement massive military operations against her government, or from her own ability to negotiate a cease-fire with the insurgents and work with the military. []

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If economic and security problems allow her breathing room, what might emerge in Aquino's first few months of power would be a newly defined process of governing. If Aquino were to develop into the successful reformer her supporters believe she could be, her style would be open and accessible to a broad range of interest groups. Although the process of government emerging from such a style would probably be noisy and fractious at times, it would signal the return of political competition and could lead to institution building in the national political arena--a necessary if partial step to the restoration of the political center, in our judgment. []

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Aquino's desire to continue a reformist course past her initial honeymoon would probably be very strong. Although she would face an uphill battle in her attempts to uproot both Marcos's spoils system and the Communist party's political and military organization, we believe she would be more willing than Marcos to press ahead over the longer term with political, military, and economic change. For one thing, Aquino has less to lose in changing the system because it would not undercut the vested interests of her closest associates--as is the case with Marcos. In addition, we believe she would be more likely to bend to domestic and foreign pressure for reform because she would lack Marcos's monopoly on power. []

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The initial legitimacy and popular support that Aquino would enjoy, we believe, are key to her ability to begin implementing reform. For example, merely the promise of reform following Aquino's election would probably improve the climate for domestic and foreign investment in the near term. Although an Aquino victory would be accompanied by considerable uncertainty, she

appears to have the confidence of much of the Philippine business community and a popular mandate could halt the forty percent investment decline that the country has suffered in the last two years. For these reasons, in the optimistic scenario, Aquino--despite her lack of a strong power base--would have a running start in dealing with the country's most critical problems. Initial policy moves might include reframing the constitution, freeing political prisoners, and taking a stronger stand with foreign creditors. [REDACTED]

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Coopting Marcos's party, or parts of it, would entail backing away from her campaign promise to prosecute Marcos, his close associates, members of the government, and military personnel she believes are involved in graft and corruption. We believe Aquino's advisers--whose ranks include businessman Jaime Ongpin, former Supreme Court Justice Cecilia Munoz-Palma, and former Senator Jovito Salonga--would counsel her to dampen her desire for revenge and she might ultimately choose to pursue other options toward Marcos and his closest supporters including political exile, tax harassment, and removal of military officers who have been extended beyond retirement age. Such steps probably would undercut much opposition from the extreme right and might also satisfy most of her supporters--leftists and moderates alike--who are already demanding some form of retribution against Marcos and his associates. After securing her political power base in this manner, we believe she would be better positioned in the near term to implement broader reforms, ranging from dismantling the agricultural monopolies to reorganizing the military. [REDACTED]

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A More Likely Scenario. Whether an Aquino government could remain on the above course is open to doubt. The seriousness of the country's economic and internal stability problems suggest the government would be pressed for immediate results. But an overly ambitious upending of the political and economic order--including reorganizing the military and substantially changing the pattern of relations with the US--could prompt an exodus of businessmen, politicians, and military leaders, which would rob the country of experienced members of the traditional ruling elite. For example, Aquino has adopted a foreign policy platform that leaves in doubt the future of the US military facilities. On the domestic front, if she moved too quickly to dismantle the sugar and coconut monopolies, she might face a massive flight of capital by Roberto Benedicto and Eduardo Cojuangco--as well as by other Marcos associates--which would undermine the nascent economic recovery. Such conditions would provide the Communist Party with an unprecedented opportunity to make new political and military inroads. [REDACTED]

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There is also reason to doubt an Aquino government's willingness to move vigorously on counterinsurgency. Aquino's initial campaign remarks, together with the views of some of her advisers, suggest that they see the insurgency principally as a "social problem," and do not fully appreciate the immediacy of

the Communist threat. If an Aquino government persisted in maintaining a benign view of the insurgency and gave short shrift to the counterinsurgency, the Communists, in our opinion, would be able to continue to build their position in the countryside. Such a policy approach also would make provision of increased US security assistance more difficult. [REDACTED]

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Aquino would also face the difficult task of maintaining order in opposition ranks. Many opposition leaders suppressed personal ambition to unite behind her candidacy and will be competing for political rewards. Longstanding rifts in opposition ranks were papered over only shortly before the deadline on filing election bids in December 1985. Since then, the campaign has been marred by internal squabbles over financing, according to the US Embassy, with Laurel's party charging Aquino supporters with cornering all the funds. Laurel recently told US officials that Aquino turns to her own advisers for political direction and he fears that she will attempt to shut him out of the government if she is elected. [REDACTED]

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Even if Aquino includes Laurel and his supporters in her cabinet, divisiveness in the ranks could ultimately prove fatal to the new government. The opposition's relative cohesion during the campaign is based solely on the goal of removing Marcos from office. Internecine debates in her cabinet over policy issues could paralyze her government, leaving open the possibility that leftists in her cabinet could take advantage of the disarray. [REDACTED]

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And no matter what Aquino wishes, her government will find it difficult to avoid assuming the traditional habits and styles of Filipino governments. Some of her supporters--who would now benefit from taking their "turn at the trough"--will be tempted to encourage Aquino to maintain Marcos's spoils system. In this case, the dismantling of the coconut and sugar monopolies, for example, would in reality only be the passing of control from the Cojuangcos and Benedictos of the Marcos era to "Cory's Cronies." [REDACTED]

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SUBJECT: The Snap Election in the Philippines: What if the
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